

STATE TRANSPORTATION PRESERVATION ACT OF 1976 (EXCERPT)
Act 295 of 1976

474.60b Prequalification; requirements.

Sec. 10b. (1) For the purpose of selling the railroad properties described in section 10(2), the bureau shall mail prequalification materials to all railroad companies on file with the secretary of state and to all other persons requesting the materials.

(2) The bureau shall accept each prequalification application that contains all of the following information:

(a) The name and address of the prospective bidder and any partner or other joint venture participant in the bid.

(b) A detailed narrative describing the relevant experience of the prospective bidder, any partner or participant, and key management personnel, with particular emphasis on rail operations and marketing.

(c) A description of the staffing available to operate the segment subject to the bid, including both current and prospective employees.

(d) A listing of the equipment available to operate and maintain the segment or detailed information showing how the specific equipment will be purchased or leased if the prospective bidder is selected to take possession of the segment.

(e) Financial statements for the 2 calendar or fiscal years immediately preceding the mailing of the prequalification application, together with all quarterly financial statements available after the close of the last calendar or fiscal year and up to the date that the application is filed, and any other financial information requested by the bureau. Each financial statement shall be prepared and certified by an independent certified public accountant.

(f) Bank and commercial lending references, including the names and addresses of the institutions and account officers.

(3) A completed prequalification application shall be received by the bureau not later than 5:00 p.m. on the date indicated in the prequalification package. A prospective bidder who requests prequalification materials after the date of the department's initial mailing shall be subject to the same due date as all other applicants. The due date shall be clearly noted in the prequalification materials. Incomplete applications or applications received after the due date shall not be accepted.

(4) The director shall appoint a committee composed of members of the department staff to review and evaluate all accepted applications and notify all prospective bidders, within 30 days after the application due date, whether the prospective bidder has been prequalified to bid on the divestiture of a segment.

(5) The committee shall base its review and evaluation of all accepted prequalification applications on the sufficiency of the prospective bidder's resources both to participate in the bidding process and to acquire and reliably and effectively operate the segment subject to the bid, including the prospective bidder's financial ability to close the divestiture transaction.

(6) A prospective bidder that submits a false statement of a material nature shall not be prequalified.

(7) A prospective bidder that, at the time of submitting its prequalification application, is in arrears with either the state or federal government shall not be prequalified.

History: Add. 1998, Act 235, Imd. Eff. July 3, 1998.